

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0434-05
Bill No.: Truly Agreed To and Finally Passed SS for SCS for HCS for HB Nos. 73 & 47
Subject: Public Assistance; Department of Social Services; Drugs and Controlled Substances
Type: Original
Date: June 1, 2011

Bill Summary: This legislation requires drug screening and testing for Temporary Assistance for Needy Families applicants and recipients.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Unknown Greater than \$561,998 to Unknown Greater than \$894,940)	(Unknown Greater than \$547,935 to Unknown Greater than \$880,877)	(Unknown Greater than \$658,450 to Unknown Greater than \$991,392)
Total Estimated Net Effect on General Revenue Fund	(Unknown Greater than \$561,998 to Unknown Greater than \$894,940)	(Unknown Greater than \$547,935 to Unknown Greater than \$880,877)	(Unknown Greater than \$658,450 to Unknown Greater than \$991,392)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 16 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and cost would net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	2 FTE	3 FTE	4.5 FTE
Total Estimated Net Effect on FTE	2 FTE	3 FTE	4.5 FTE

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 208.027 & 1:

Officials from the **Office of Administration-Administrative Hearing Commission** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of the Attorney General (AGO)** responds that the Department of Social Services (DSS) estimates that the proposal would result in an additional 1,700 administrative hearings, and that approximately 10% of those hearings then receive judicial review in circuit court. AGO assumes it would need an additional 1.5 Assistant Attorney General I and 1 Legal Secretary to handle the increased caseload. If there is a significant increase in claims over time, the AGO may seek an additional appropriation to adequately represent DSS.

Oversight assumes the AGO would see a growth in caseload each fiscal year. Therefore, Oversight assumes AGO would need 1 Assistant Attorney in FY 12, 1 Assistant Attorney and 1 Legal Secretary in FY13 and 1.5 Assistant Attorney's and 1 Legal Secretary in FY14.

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** states the proposed legislation requires the Department of Social Services (DSS) to refer applicants who test positive for the use of a controlled substance to a substance abuse treatment program approved by the Division of Alcohol and Drug Abuse (ADA). The DMH assumes that it will treat the applicant or recipient and also pay for the services.

Because of limited funding, the demand for DMH-funded substance abuse treatment in Missouri already far exceeds the capacity of contracted community providers. A significant cost would be incurred if the proposed drug testing program was actually successful in identifying drug users, if drug users were effectively referred to DMH treatment providers, if the drug users in fact presented themselves for treatment, and if DMH was required to fund treatment for all referred applicants/recipients. However, the Department cannot estimate the number of TANF clients that will test positive for drugs or the number of those who test positive that will present for treatment. Treatment costs per person in a CSTAR program is \$2,809 (\$1,028 General Revenue and \$1,781 Federal). To treat an additional 100 persons will cost \$102,800 in General Revenue alone. Therefore, the fiscal impact is estimated as an unknown to greater than \$100,000 cost for General Revenue and Federal Funds.

Oversight notes that states can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures.

Officials from the **Department of Social Services-Division of Legal Services (DLS)** states in March 2011, there were 37,363 adult recipients of TANF benefits that would potentially be required to submit to a drug test. In addition to recipients, approximately 36,624 new adult applicants are approved annually for a total population of 73,987 that would be subject to drug screening and testing. It is assumed that the General Assembly did not intend for the Department to test infants and small children although the legislation does not restrict the Department to testing only adults. It is assumed that 10% of the general population of the United States engages in the use of illegal drugs. Therefore, it will be assumed that 10% of the 73,987 recipients and applicant adults in the TANF program engage in illegal drug use. Thus, 7,398 individuals in the TANF program are engaging in illegal drug use. It is assumed that all 7,398 individuals will be screened and required to submit to drug testing. The assumption is made that all 7,398 individuals will demonstrate behavior that constitutes reasonable suspicion to believe the individual is engaging in the illegal use of a controlled substance which would thus constitutionally justify additional testing.

Therefore, based on these assumptions approximately 7,398 individuals will be drug tested. It is assumed that 50% of this number will refuse to submit to the drug test and 50% will submit to

ASSUMPTION (continued)

the drug test. Therefore, 3,699 individuals will be drug tested. It is assumed that 75% of the 3,699 individuals will test positive. Based on these assumptions, 6,473 individuals annually can potentially request an administrative hearing to either contest their refusal to submit to the drug test or to contest the outcome of the positive drug test - $(3,699 + 2,774 = 6,473)$.

Assuming 40% of the TANF applicants and recipients who are adversely impacted by the testing requirement object this would result in a minimum of approximately 2,589 additional hearings annually. However, the increase in hearings by 2,589 is only the number of hearings resulting from the initial phase of testing.

The proposed legislation grants FSD authority to conduct additional drug tests once the individual submits to drug treatment. Additional administrative hearings will arise from the subsequent drug tests. It is assumed that 20% of those who test positive (2,774 individuals) will go to drug treatment. Thus, 554 individuals will go to drug treatment and be subjected to additional drug testing. It is assumed that 80% of those who test positive will take the three-year period of ineligibility for TANF benefits. The proposed legislation does not state who is responsible for paying for the drug treatment program. Most TANF individuals it is assumed would not be in the position of paying for drug treatment. Therefore, the number who go to drug treatment maybe lower because they cannot afford it. It is assumed that of those TANF individuals who do go to drug treatment, 44% of the 554 will successfully complete their treatment program. Therefore, 243 individuals will fail treatment and it is assumed will fail their second drug test. Assuming 40% of the 243 contest the second drug test result, this will result in 97 additional hearings for a total of 2,686 additional hearings per year.

A further consideration is the length and complexity of the hearings. In order to make a compelling case, expert witnesses from the Agency, and possibly from the Claimant will be called. The testimony of the expert witnesses in a drug testing case due to the complexity of the subject matter requires at least 20 to 30 minutes per expert. Two experts are generally needed to legally support the drug test result. Two additional witnesses are usually required in addition to the experts. These are usually the specimen collector and the FSD staff member or members who determined reasonable suspicion. The average drug testing case will take between 1 1/2 hours to two hours to complete depending on the issues. Longer hearings will mean fewer hearings that each hearing officer can cover on his or her docket. These hearings will also be far more complicated and will require more time to conduct the hearing and write the decision.

At least three additional hearing officer would need to be hired based on the assumption that the hearing officers hold approximately 900 hearings per year. This would likely also require the hiring of one additional support staff.

ASSUMPTION (continued)

In most administrative hearings, FSD is not represented by counsel. In cases brought under this statute, DSS/FSD will need the legal assistance of a DLS attorney. Expert witness testimony is required to prove the elements of drug testing cases. It will require an attorney to elicit the testimony from the expert witnesses. FSD staff cannot ask questions of witnesses because this is the unauthorized practice of law. In order for FSD to submit evidence of the drug testing process and the drug test result to the hearing officer, certain legal rules and principles regarding the introduction of evidence into a legal proceeding must be followed. Only a properly trained licensed attorney has the required knowledge and skill set to insure that the drug testing evidence is properly admitted into evidence. Drug testing cases will involve complicated legal issues regarding reasonable suspicion, the procurement of the evidence and the introduction of the evidence and testimony into the hearing. Only a licensed attorney has the training and knowledge to be aware of these legal issues and how to overcome these issues. FSD staff and DLS hearing officers cannot perform this role. Without the presence of an attorney representing FSD, the drug testing cases cannot be won.

Assuming 80% of the 2,686 annual hearings require a DLS attorney to represent FSD, DLS attorneys would be required to represent FSD in 2,148 hearings annually. Including the hearing itself, hearing preparation and travel, DLS estimates that each case would require 12 hours of work. This would result in 25,785 additional hours of work for DLS attorneys. DLS would need to hire at least two additional litigation attorneys.

A further consideration is the cost of the hearings. Drug testing cases require scientific and medical evidence as the issue in these cases usually involves a dispute over the accuracy of the scientific testing methods and of the effects of a substance in the human body. Experts in toxicology and medicine are routinely used in these hearings. These expert witnesses may require payment for their services unless this cost is included in the overall drug-testing contract. As an example, the one medical review officer who practices in Jefferson City charges \$515 per hour for live testimony or \$315 per hour for deposition testimony. If additional testimony from other doctors or drug testing experts is required, which is not covered by the contract, then they will require payment for the use of their expertise.

Oversight assumes, because the potential for litigation is speculative, that the DLS will not incur the total costs related to this proposal as stated by DLS. Oversight assumes the DLS would see a growth in caseload each fiscal year. Therefore, Oversight assumes DLS could absorb the Office Support Assistant and would need 1 Hearing Officer in FY 12 & FY13 and 2 Hearing Officers in FY14. Oversight notes the AGO request FTE for litigation and has included those FTE in the fiscal note therefore, Oversight assumes DLS would not need the two litigation attorneys.

ASSUMPTION (continued)

Officials from the **Department of Social Services-Information Technology Services Division (ITSD)** states the system changes that would be needed to fulfill the requirements of this proposal are:

1. Application programming must be modified to include a Question & Answer screening tool in the TA application process to help determine suspicion of drug use.
2. A second new screen will be needed in FAMIS to display and allow entry of data related to requesting drug tests, storing the results of the tests, tracking the hearing process, tracking referral and entry in a rehabilitation or treatment program and completion of the program, tracking subsequent drug tests and imposing and tracking the period of ineligibility.
3. Modification to the eligibility determination modules to discontinue the portion of cash grant attributable to the offending individual, and generate a letter advising of the benefit reduction and the date when the three year ineligibility period ends.
4. System must send the appropriate correspondence to client regarding disqualification for use of an illegal, non-prescribed controlled substance and alternative payee requirements.
5. Produce reports on disqualified individuals for case management purposes through FAMIS Managed Reporting.
6. Adding photos to EBT cards for TA recipients will require work for ITSD. If the same approach is used that was used from 1994 through 2002, each county office will require a computer with a video capture card, ID Works software (may still have this but it will not have been updated since 2003) and cameras. The cameras and video capture cards will be less expensive than they were 8 years ago. ITSD will have to transmit a photo file to the vendor each day. If these functions are handled by the contract vendor, then the effort to ITSD could be insignificant. If the photo's can be obtained from Department of Revenue, the effort to ITSD will amount to set up file matches and data transfer processes to move photo data from DOR to the EBT card vendor.

ASSUMPTION (continued)

<u>Function</u>	<u>Work Effort (hours)</u>
Analysis/Design	120 hours
Create/Update Specification Documents	120 hours
Update Data Model	120 hours
Modify Eligibility Determination Process	80 hours
Create Q/A Screen	20 hours
Create Screen to Capture/Display Eligibility Factor Data	120 hours
Notices extract programming	80 hours
AFP programming for notices	60 hours
Update Code Tables	40 hours
Development Coordination	40 hours
Testing (Unit and System)	120 hours
Managed Reporting (data warehouse extracts)	120 hours
Managed Reporting (WebFOCUS report coding)	80 hours
Total:	1,120 hrs

Assumptions:

- Existing programming in FAMIS will automatically adjust any cases (such as Food Stamps) that consider the TA grant as income when the eligibility determination is executed on the TA case with the reduced grant.
- Referral to an appropriate substance abuse treatment program will be a manual process.
- Only the applicant or recipient that tests positive for drug use will be removed from the TA grant. Other members of the assistance group will continue to receive TA benefits.
- The existing mechanism for determining and assigning and alternate payee in FAMIS will work as it is in the current state.
- Estimates for programming to generate notices to recipients assume that contract staff will code the extracts and state staff will code the AFP (Advanced Function Printing) modules.
- Estimate for the Managed Reporting function assumes that consultants will complete the changes for data warehouse extract programming and existing state staff will complete the programming for the WebFOCUS reports.
- State staff will perform all updates to code tables.

ASSUMPTION (continued)

- There will be no impact after implementation in FY12 so projecting no costs beyond the first year.
- Based on the above assumptions, state staff will perform 180 hours of the effort and consultants will perform 940 hours.
- There could be a cost for software and equipment to provide photos of TA recipients to the EBT card vendor. That cost is unknown without some direction on the solution that might be employed and how the work/expense might be allocated between the state and the card vendor. There has also been discussion about using photos provided by the Missouri Department of Revenue.

Current rate for IT consultants for the FAMIS project averages \$90.00 per hour. Current rate for ITSD staff averages \$42.56 per hour.

There is not a federal match for systems work relating to the Temporary Assistance program. Cost for systems work will be funded by General Revenue.

Total Cost: (180 hours X \$42.56/hr) + (940 hours X \$90.00/hr) = \$92,261.

Officials from the **Department of Social Services-Children's Division (CD)** states the legislation would result in additional reports being made to the CD's child abuse/neglect hotline for screening as the result of mandated reports being made to the hotline for suspected child abuse as a result of drug abuse. Based upon the language of this TAFP legislation, the CD would continue to follow the current screening process to determine if an investigation or an assessment is necessary to determine child abuse. If during the course of the child abuse investigation or assessment drug use is suspected, CD will notify FSD.

It is unknown how many of these reports would have come to the attention of CD through the current structure. Therefore, the CD would not anticipate a significant increase in the number of investigations or assessments being conducted, nor cases being opened, as a result of this TAFP legislation.

The Division does not anticipate a significant fiscal impact as a result of this TAFP legislation.

Officials from the **Department of Social Services-Family Support Division (FSD)** states the legislation would make FSD responsible for developing a program to screen and drug test adult TANF applicants and recipients using a urine dipstick five panel test; when the Department has

ASSUMPTION (continued)

reasonable cause to believe that the applicant or recipient is using a controlled substance, not prescribed to them by a physician.

At this time it is unknown how the drug testing program and the screening process will be implemented, therefore the Division is providing a range.

The FSD assumes that any applicant or recipient who refuses to complete a drug screening will be disqualified until they fulfill that eligibility requirement. At this time it is unknown how many individuals will be disqualified for not completing the screening.

The FSD expects to procure a private vendor to administer its drug testing program. At a minimum, the contractor would provide the following services: collection of samples, testing (using the mandated urine dipstick five panel test), transmitting results, program evaluation, and retention of urine samples. The Division is using a \$50 cost to provide a drug test. This cost includes the collection of the sample, transportation and chain of custody, and an expert Medical Review Officer (MRO) Test Result Review to insure that the drug test and results will stand up under a legal challenge.

Should FSD not be able to procure a private vendor, FSD staff would be required to complete the necessary drug tests. This would result in additional cost for training and facility upgrades. Current cost estimate for upgrades is \$9,000 per office.

In March 2011, there were 37,363 adult recipients of TANF benefits. In addition to recipients, approximately 36,624 new adult applicants are approved annually for a total population of 73,987 that would be subject to drug screening and testing. $(37,363 + 36,624 = 73,987)$

The yearly cost to test 10% of the TANF applicant and recipient population annually would be \$369,935.

The yearly cost to test 25% of the TANF applicant and recipient population annually would be \$924,838.

The yearly cost to test 50% of the TANF applicant and recipient population annually would be \$1,849,675.

The yearly cost to test 75% of the TANF applicant and recipient population annually would be \$2,774,513.

ASSUMPTION (continued)

The yearly cost to test 100% of the TANF applicant and recipient population annually would be \$3,699,350.

The FSD has no way to determine how many of those tested will test positive, complete a Department of Mental Health approved drug treatment program and subsequently return to the FSD for follow up testing, but feels the cost for this would be minimal. The FSD is unsure how many will test positive and request an administrative hearing. However, expert witness(s) will be needed at every hearing. An expert witness will be necessary to testify to the validity of the screening tool in addition to an expert Medical Review Officer (MRO) witness. The cost for an expert witness and testimony is \$150 up to \$500 per hour.

The implementation of placing a photo on the EBT cards for TANF recipients and protective payees and replacing cards every three years will require a change to the current EBT contract and the systems. One option which the Division may be able to use is existing DOR photos to put on EBT cards. FSD believes 70% to 80% of TANF recipients have a license or non-drivers ID. The availability of this photo and potential for using DOR infrastructure to facilitate FSD pictures has not been fully assessed but MAY allow the Division to do TANF pictures at a lower cost than previously estimated. Further analysis is needed. FSD also needs to take direct deposit TANF participants out of the equation since they would not need to have a photo on their card - this was not considered in the initial response. Therefore, at this time, the costs for these updates are unknown.

The FSD feels some applicants/recipients may be unable to comply with the request to submit to a drug test due to circumstances beyond their control, such as lack of transportation or lack of day care. This could potentially disqualify them for TANF benefits due to their inability to comply versus their refusal to comply.

There would be no fiscal impact to report suspected child abuse as a result of drug abuse to the Children's Division. FSD employees are already mandated reporters of suspected child abuse.

Oversight assumes, for fiscal note purposes only, the intent of the General Assembly is to test 10% to 25%. Therefore, Oversight reflects the fiscal impact as a range from 10% to 25%.

Oversight assumes, for fiscal not purposes only, the cost of the drug test would be \$30 (\$5 for the test and \$25 for administration). Therefore, Oversight reflects the fiscal impact as \$221,961 to \$554,903.

ASSUMPTION (continued)

Oversight does not know how many, if any, recipients would lose their TANF benefits or how many would fall into recidivism. Oversight assumes savings, if any, would be deferred because it is unknown how many would enter into a drug treatment program.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Savings - Department of Social Services</u>			
Reduced TANF Payments	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Costs - Office of the Attorney General</u>			
Personal Services	(\$35,417)	(\$73,225)	(\$95,634)
Fringe Benefits	(\$18,537)	(\$38,326)	(\$50,055)
Equipment and Expense	<u>(\$28,985)</u>	<u>(\$37,819)</u>	<u>(\$46,488)</u>
<u>Total Costs - AGO</u>	<u>(\$82,939)</u>	<u>(\$149,370)</u>	<u>(\$192,177)</u>
FTE Change - AGO	1 FTE	2 FTE	2.5 FTE
<u>Costs - Department of Mental Health</u>	<u>(Greater than</u>	<u>(Greater than</u>	<u>(Greater than</u>
Program Cost	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
<u>Costs - Department of Social Services</u>			
Personal Service-DLS	(\$32,226)	(\$39,847)	(\$82,086)
Fringe Benefits-DLS	(\$16,867)	(\$20,856)	(\$42,964)
Equipment and Expense-DLS	<u>(\$15,744)</u>	<u>(\$15,901)</u>	<u>(\$19,262)</u>
<u>Total Costs - DSS-DLS</u>	<u>(\$64,837)</u>	<u>(\$76,604)</u>	<u>(\$144,312)</u>
FTE Change - DSS-DLS	1 FTE	1 FTE	2 FTE
<u>Costs - Department of Social Services</u>			
ITSD Program Costs	<u>(\$92,261)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2012 (10 Mo.)	FY 2013	FY 2014
<u>Costs - Department of Social Services-</u> <u>Family Support Division</u>			
Drug Testing	(\$221,961 to \$554,903)	(\$221,961 to \$554,903)	(\$221,961 to \$554,903)
EBT Photo Id Cards	(Unknown)	(Unknown)	(Unknown)
<u>Total Costs - DSS-DFS</u>	(Unknown Greater than \$221,961 to Unknown Greater than \$554,903)	(Unknown Greater than \$221,961 to Unknown Greater than \$554,903)	(Unknown Greater than \$221,961 to Unknown Greater than \$554,903)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown Greater than \$561,998 to Unknown Greater than \$894,940)</u>	<u>(Unknown Greater than \$547,935 to Unknown Greater than \$880,877)</u>	<u>(Unknown Greater than \$658,450 to Unknown Greater than \$991,392)</u>
Estimated Net FTE Change for General Revenue Fund	2 FTE	3 FTE	4.5 FTE
FEDERAL FUNDS			
<u>Income - Department of Mental Health</u> Federal Assistance	<u>Greater than \$100,000</u>	<u>Greater than \$100,000</u>	<u>Greater than \$100,000</u>
<u>Costs - Department of Mental Health</u> Program Costs	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2012
(10 Mo.)

FY 2013

FY 2014

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Sections 208.027 & 1:

If the drug testing is done by small business there will be an increase in their business.

If the testing facilities were part of the state government, there would be no impact on small businesses.

The legislation mandates that an individual making a TANF purchase with an EBT card must match the photo on the card. However, EBT cards may have both TANF and food stamp benefits available. Under the legislation, a retailer would have to allow a purchase made with the food stamp portion of the EBT card, even if the user does not match the photo on the card. Retailers must first correctly match the user to the card, and then must determine which benefit or benefits are being used to determine if a purchase is allowable. There are also concerns that retailers will be penalized if a transaction is completed and it is found that the photo and user do not match. It is unclear who is responsible if fraud is committed in this manner.

FISCAL DESCRIPTION

Sections 208.027 & 1:

This legislation requires the Department of Social Services to develop a program to screen each applicant for or recipient of Temporary Assistance for Needy Families (TANF) Program benefits and test, using a urine dipstick five panel test, each person whom the Department has reasonable cause to believe, based on the screening, engages in the illegal use of a controlled substance. An applicant or recipient who tested positive for the illegal use of a controlled substance which has not been prescribed by a licensed health care provider or who refuses to submit to a test must, after an administrative hearing by the Department, be declared ineligible for TANF benefits for three years from the date of the administrative hearing decision and must be referred to an appropriate substance abuse treatment program approved by the Division of Alcohol and Drug Abuse within the Department of Mental Health. However, an applicant or recipient who, after being referred by the Department, enters and successfully completes a substance abuse treatment program and does not test positive for the illegal use of a controlled substance for six months from the date of entry into the program, will continue to receive benefits while participating in

FISCAL DESCRIPTION (continued)

the program. The Department may test these individuals for illegal drug use at random or set intervals, at the Department's discretion, after the initial six months; and if the individual tests positive a second time, he or she will be declared ineligible for TANF benefits for a period of three years from the date of the administrative hearing decision.

Case workers of applicants or recipients are required to report or cause a report to be made to the Children's Division within the Department any suspected child abuse as a result of drug abuse when an applicant or recipient has tested positive for the illegal use of a controlled substance or has refused to be tested. Any member of a household which includes a person who has been declared ineligible for TANF benefits, if otherwise eligible, will continue to receive benefits as protective or vendor payments to a third-party payee.

All electronic benefits cards distributed to recipients of TANF benefits must have imprinted on the card a photograph of the recipient or protective payee authorized to use the card and cannot be accepted for use at a retail establishment if the photograph does not match the person presenting the card. A card will expire and be subject to renewal after three years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

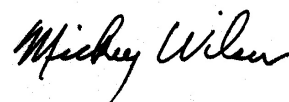
Department of Mental Health

Department of Social Services

Office of the Secretary of State

Office of Administration-Administrative Hearing Commission

Office of the Attorney General

A handwritten signature in black ink, appearing to read "Mickey Wilson". The signature is written in a cursive, flowing style.

L.R. No. 0434-05

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June 1, 2011

Mickey Wilson, CPA

Director

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